

Outline of Select Committee Investigation Findings on Biolab in Reedley, CA

11.15.23

In December 2022, Code Enforcement Officer Jesalyn Harper noticed a green garden hose sticking out of the side of a warehouse in the small town of Reedley, California. The hose was a clear violation of the city's building code, so Officer Harper showed her badge, and entered the warehouse. Inside the vast, dimly lit building, she found laboratory equipment, manufacturing devices, dangerous chemicals, and medical grade freezers and containment units holding thousands of vials of biological substances. Some of these vials were labeled in Mandarin, others in a code that no one ever deciphered, and others in English with names of Pathogens that Officer Parker recognized. Including malaria, tuberculosis, and HIV and others with no labels at all.

The City also found approximately 1,000 transgenic mice—mice used for research of human diseases—which biolab workers told them were genetically engineered to catch and carry the covid-19 virus.

That discovery kicked off a nine-month effort by the City of Reedley to address the public health risk posed by the illegal, clandestine Reedley Biolab and to investigate what had happened at that facility—and what might have happened if Officer Harper had been less alert.

Reedley City officials reached out to relevant law enforcement, public health, and regulatory officials about their shocking discovery.

The FBI declined to investigate.

The CDC refused to speak to them, and on multiple occasions, hung up on local officials mid-conversation.

Finally, frustrated, the City officials turned to Representative Jim Costa, their local Member of Congress.

With Representative Costa's help, Reedley officials finally got the CDC on site where they identified numerous pathogens, including at least 20 potentially infectious agents in risk group 2 and risk group 3, based on the labels on certain vials.

However, the CDC refused to test the samples, decode the encoded labels, or examine the unlabeled vials containing what appear to be pathogens or other biological samples.

The CDC also refused to test the samples labeled COVID, even though SARS-CoV is categorized as a Select Agent.

City officials repeatedly requested and even offered to pay for the testing but the CDC still refused.

Bafflingly, the CDC then reached the conclusion that there was “no evidence of select agents or toxins”, and instructed the city to destroy all of the materials.

Subject to a court order and CDC instructions, the city officials eradicated approximately 103.73 tons of general waste, including complex laboratory equipment, and 448 gallons of medical and biological waste.

Along the way, local officials who had previously not thoroughly investigated several of the freezers for fear of encountering a dangerous pathogen, made a shocking discovery: a freezer filled with pathogens labeled “Ebola.” The CDC did not find this in its search. When confronted with this fact over email, the CDC still said it was not a concern and does not merit testing before destruction of the evidence.

No one will ever know how many answers were destroyed per the CDC’s instructions.

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As the City remediated the illegal lab’s public health risks, the Select Committee, at the direction of Speaker McCarthy and with support from Congressman Jim Costa, worked with Reedley City officials and issued a subpoena that would allow local officials to provide Congress with documents and evidence.

Our investigation revealed a complex connection between the Reedley Biolab’s owner and founder, Jiabei “Jesse” Zhu, and the government of the People’s Republic of China. Zhu previously stole millions of dollars of American intellectual property to directly benefit PRC-affiliated and controlled companies—Actions that, per his own admissions, were done to further PRC policy and to meet the stated demands of the PRC Premier.

Zhu is a PRC citizen who served as a corporate officer on several Chinese state-controlled enterprises, military-civil fusion organizations, and private organizations partially controlled by the PRC government. While in these roles, he traveled to Canada and formed dozens of companies there that engaged in massive theft of American intellectual property from a company, resulting in a \$330 million Canadian court judgment against Zhu and his co-conspirators in 2016.

In private messages on the Chinese application WeChat, Zhu claimed that his fraudulent scheme would help “defeat the American aggressor and wild ambitious wolf!” and that, while “the law is strong, the outlaw is ten times stronger.”

When Zhu failed to appear in court after the issuance of the judgment, a judge issued an arrest warrant for civil contempt of court.

Zhu appears to have then entered the US illegally and operating under the false alias David He, and set up a new network of biotech companies with the same PRC national board members, acquiring thousands of vials of biological substances, pathogens, medical devices, and equipment found at the clandestine biolab site in Reedley.

To incorporate and administer these companies, Zhu turned to an Accountant tied to entities associated with the CCP's United Front Work Department, including an organization tied to the radicalization of David Chou, a PRC national who attacked a Taiwanese church in 2022.

Meanwhile, under the auspices of these companies, Zhu purchased cheap or counterfeit test kits for COVID, pregnancy, ovulation, and nutritional deficiencies from the PRC and resold them to Americans at a steep markup.

None of these relatively straightforward fraudulent activities required the medical equipment, transgenic mice, pathogens, or other biological substances found at the biolab — and keeping these materials was extremely expensive, requiring large warehouses and specialized equipment, including medical-grade freezers, to maintain.

Meanwhile, while Zhu was inexplicably spending a small fortune on an unlicensed and illegal biolab facility, he was also receiving large, unexplained money transfers from PRC bank accounts—more than \$1million over a couple of years.

These payments also can't be explained by his fraudulent scheme, which required Zhu to pay money to suppliers in China to obtain the test kits he fraudulently resold to Americans.

This is what we know so far.

Due to the intricacies of Zhu's PRC-based scheme and CDC's failure to test thousands of "potentially infectious agents," we lack the ability to fully answer essential questions. Why would Zhu keep dangerous pathogens for years as a wanted man despite the extreme cost and risk? How did he obtain apparent samples of Ebola virus, one of the deadliest pathogens known to man? What were the nature of the large payments coming to Zhu from China?

Perhaps more importantly, this investigation raises troubling questions about the state of our nation's biosecurity. How did Zhu, a wanted man, operate clandestine biolabs in Reedley and other locations for years while avoiding detection? Why do present laws allow private—and in this case wholly illegal—laboratories like the one in Reedley to purchase deadly pathogens from American laboratories without scrutiny? How did the CDC and the federal government so

fundamentally fail a local community and why did they press to have the pathogens destroyed without testing?

The investigation into Reedley Biolab shows that competent and driven local public servants like Jesalyn Harper and Nicole Zieba can do great things in the service of their community. It also shows, however, that our nation is fundamentally vulnerable to pathogenic risk. The investigation has revealed that there are no safeguards, no tripwires, no monitoring for the acquisition of deadly pathogens and materials that could clearly be used for extraordinarily dangerous bioweapon research here on American soil. This must change.

Everyday Americans hearing this news will ask an entirely reasonable question: how many other clandestine laboratories exist in the United States? What disturbs the Select Committee is not necessarily that it does not know the answer to this question, it is that *no one does*. Due to deep institutional failures and a lack of basic safeguards, our nation lacks essential biosecurity at a moment of competition with the CCP when we need it most.

It is the goal of the Select Committee, on a bipartisan basis and in coordination with other Committees of jurisdiction, to address this fundamental gap in our biosecurity and ensure that something like the Reedley Biolab never happens again. That is the outcome that America deserves. That is the outcome that we will achieve.